

the Declarants, on the other hand, have never availed himself of any "privilege", benefit, or deduction arising from any provision of the I.R.C. during the period in question and have instead used inter alia, the Constitution, their rights, and prior U.S. Supreme Court decisions, and positive law as the only basis for their legal positions hereby espoused and previously communicated to the FBI and the IRS. Declarants instead have consistently identified themselves as "nontaxpayers", and not a "taxpayer" under 26 U.S.C. §7701(a)(14), who is therefore not subject to any provision within the I.R.C. Furthermore, the FBI and IRS have failed in their legal pleadings and administrative communications to disprove this point, and therefore by their silence agree that the Declarants are "nontaxpayers" not subject to the I.R.C. nor any other provision of Title 26 or Title 18 not specifically published in the Federal Register, nor passed into positive law, nor lacking implementing regulations. The Federal Courts agree that "nontaxpayers" are not subject to the I.R.C... To wit:

*"The revenue laws are a code or system in regulation of tax assessment and collection. They relate to taxpayers, and not to nontaxpayers. The latter are without their scope. No procedure is prescribed for nontaxpayers, and no attempt is made to annul any of their rights and remedies in due course of law. With them Congress does not assume to deal, and they are neither of the subject nor of the object of the revenue laws..."*

*[Long v. Rasmussen, 281 F. 236 (1922)]*

*"Revenue Laws relate to taxpayers and not to non-taxpayers. The latter are without their scope. No procedures are prescribed for non-taxpayers and no attempt is made to annul any of their Rights or Remedies in due course of law. With them Congress does not assume to deal and they are neither of the subject nor of the object of federal revenue laws."*

*[Economy Plumbing & Heating v. U.S., 470 F2d. 585 (1972)]*

4. Karl Granse was the person who initiated the suit in question. He could only have initiated the suit by satisfying Fed. Rule. Civ. Proc. Rule 17(b), which requires that he either have a domicile on federal territory (which excludes states of the Union, and which are "foreign states" for the purposes of federal legislative jurisdiction), or that he is exercising agency, contracts, or employment on behalf of a corporation which has a domicile inside a federal enclave or U.S. territory. Or that he was acting as fiduciary for the constructive trust created to drag him into legal relations with the United States. In Granse's case, he could only have been exercising the latter, which is agency of a federal corporation, because he was identified in the ruling as maintaining a domicile in Michigan rather than the District of Columbia, as identified in 26 U.S.C. §7701(a)(39) and 26 U.S.C. §7408(d). Therefore, Granse could only have initiated the suit as an employee, officer, agent, or fiduciary of the federal corporation known as the "United States" and which is defined in 28 U.S.C. §3002(15)(A) as "a federal corporation". This is consistent with his also being engaged in a "trade or business" by virtue of having the Currency Transaction Report filed against him by the bank that maintained the account which the IRS attempted to seize. A "trade or business" is defined as "the functions of a public office" in 26 U.S.C. §7701(a)(26), and all public offices must by law maintain a domicile in the District of Columbia pursuant to 4 U.S.C. §72 and Constitution Article I, Section 8, Clause 17. The circumstances of the Declarants, however, are entirely different. All tax returns for the periods that are the subject of collection activities by the IRS identify their domicile as no place inside the federal "United States" (see 26 U.S.C. §7701(a)(9) and (a)(10)) and the Exhibits to the affidavit clearly indicate that they were not exercising any federal contracts or agency. The exhibits also indicate that Declarants are not engaged in a "trade or business" and they assert the fact that they are a "nontaxpayers" not subject to the I.R.C. Therefore, the Granse case is entirely off point and consequently is inapplicable in the instant matter. Thus, the circumstances, facts, and ruling in Granse are wholly irrelevant and have no bearing or relationship to the circumstances of the Declarants.

5. The behavior that made Karl Granse subject to the I.R.C. as well as most ignorant and uninformed Citizens of the several states as "taxpayers" was the Currency Transaction Report (CTR), Form 8300, which connected his deposits at the bank with a taxable activity called a "trade or business". Granse apparently failed to dispute or correct this FALSE report. Therefore, by his own ignorance and omission, Karl Granse was a presumed to be a "taxpayer" who, unlike the Declarants, was subject to the Internal Revenue Code. It is important to point out the undisputed, conclusive fact that receipt of currency not in the course of a "trade or business" is NOT reportable under 31 U.S.C. §5331. The proof of this fact is contained in the Code of Federal Regulations, to wit:

31 CFR §103.30(d)(2) General

(2) Receipt of currency not in the course of the recipient's trade or business.

*The receipt of currency in excess of \$10,000 by a person other than in the course of the person's trade or business is not reportable under 31 U.S.C. 5331.*

*[Emphasis added]*

according to the Court, was engaged in a privileged, excise taxable activity called a "trade or business" and he thus was a "taxpayer". You will note, for instance, that 26 CFR §1.1-1(a)(2)(ii) identifies "trade or business" income as taxable "gross income".

#### NORMAL TAXES AND SURTAXES

#### DETERMINATION OF TAX LIABILITY

##### Tax on Individuals

##### Sec. 1.1-1 Income tax on individuals.

(a)(2)(ii) For taxable years beginning after December 31, 1970, the tax imposed by section 1(d) [married individuals filing separately], as amended by the Tax Reform Act of 1969, shall apply to the income effectively connected with the conduct of a trade or business in the United States by a married alien individual who is a nonresident of the United States for all or part of the taxable year or by a foreign estate or trust. For such years the tax imposed by section 1(c) [unmarried individuals], as amended by such Act, shall apply to the income effectively connected with the conduct of a trade or business in the United States by an unmarried alien individual (other than a surviving spouse) who is a nonresident of the United States for all or part of the taxable year. See paragraph (b)(2) of section 1.871-8." [26 CFR § 1.1-1]

Mr. Granse's circumstance, however, is not the case with Declarants. Declarants have vigorously rebutted and sent in correction forms for all evidence which might wrongfully and illegally associate them with such taxable activities, such as:

- A. Erroneous 1099 forms.
- B. Erroneous W-2 forms.
- C. Erroneous Currency Transaction Reports, Form 8300.
- D. Erroneously or unlawfully filed or executed Substitute for Returns.

6. Karl Granse, by his omission, also created a prima facie presumption that he is a domiciliary of the federal "United States" in the process of opening the bank account which connected him to a "trade or business". He did not provide to the bank IRS form W-8, but instead provided a Social Security Number in its place when he opened the account. Those who do not provide W-8BEN forms are considered to be "U.S. persons" subject to the I.R.C.. A "U.S. person" is defined in 26 U.S.C. §7701(a)(30) as either a "U.S. citizen" or a "resident", both of whom have in common a legal "domicile" in the federal "United States", which is defined in 26 U.S.C. §7701(a)(9) and (a)(10) as only the District of Columbia and whose definition is not expanded anywhere else in I.R.C. Subtitle A to include any other place. Therefore, the definition does not include any of the 50 Union states united under the federal Constitution.

*"Expressio unius est exclusio alterius. A maxim of statutory interpretation meaning that the expression of one thing is the exclusion of another. Burgin v. Forbes, 293 Ky. 456, 169 S.W.2d 321, 325; Newblock v. Bowles, 170 Okl. 487, 40 P.2d 1097, 1100. Mention of one thing implies exclusion of another. When certain persons or things are specified in a law, contract, or will, an intention to exclude all others from its operation may be inferred. Under this maxim, if statute specifies one exception to a general rule or assumes to specify the effects of a certain provision, other exceptions or effects are excluded."*

*[Black's Law Dictionary, Sixth Edition, page 581]*

Consequently, Carl Granse's behavior in opening the bank account which was the subject of the suit created the rebuttable presumption that he was a "U.S. person" subject to the I.R.C. as a "taxpayer", who was engaged in a "trade or business" because of the CTR filed against him, and who maintained a domicile in the District of Columbia as required under 26 U.S.C. §7701(a)(39) and 26 U.S.C. §7408(c). By contrast, the Declarants:

- A. Has accurately reflected their status as "nonresident aliens" for all financial accounts that they maintain.
- B. When asked to file "returns", has submitted the correct form, the 1040NR, and indicated no liability on said form.

Therefore, there is no evidence in the Record of the instant matter, or in the possession of the FBI or IRS which would create a false and incorrect presumption that the Declarants are a "U.S. person" or "domiciliary" subject to federal jurisdiction or to the executive branch administrative United States District Court, or who is engaged in the privileged activity known as a "trade or business" which would make them a "taxpayer" subject to the I.R.C.. The foregoing facts mean that the Declarant's situation and circumstances are entirely different from the facts in *Granse*. Declarants are

his actions and his own behavior in opening the bank account, created the rebuttable presumption that he, Granse, was a "U.S. person". Therefore, the *Granse* case is off point and irrelevant to the instant Matter. It constitutes faulty legal reasoning to place any credence on this case. The administrative records of the Declarants, in the possession of the IRS and therefore available to the FBI, clearly indicates the political intention of the Declarants to maintain their state Citizen status NOT subject to the plenary powers of Congress found in the Constitution dealing with the seat of government. See Article One, section \* paragraph 18 and Article 4, Section 3 paragraph 2 of the Constitution for the United States.

7. The activity, a "trade or business", which Karl Granse was engaged in as documented by the Currency Transaction Report, Treasury Form 8300, filed against him, is defined in 26 U.S.C. §7701(a)(26) as "the functions of a public office". That "public office" is in the United States government and that office is identified by the U.S. Supreme Court essentially as a business partnership with the U.S. Government.

"All the powers of the government must be carried into operation by individual agency, either through the medium of public officers, or contracts made with individuals. Can any public office be created, or does one exist, the performance of which may, with propriety, be assigned to this association [or trust], when incorporated? If such office exist, or can be created, then the company may be incorporated, that they may be appointed to execute such office. Is there any portion of the public business performed by individuals upon contracts, that this association could be employed to perform, with greater advantage and more safety to the public, than an individual contractor? If there be an employment of this nature, then may this company be incorporated to undertake it.

There is an employment of this nature. Nothing can be more essential to the fiscal concerns of the nation, than an agent of undoubted integrity and established credit, with whom the public moneys can, at all times, be safely deposited. Nothing can be of more importance to a government, than that there should be some capitalist in the country, who possesses the means of making advances of money to the government upon any exigency, and who is under a legal obligation to make such advances. For these purposes the association would be an agent peculiarly suitable and appropriate. [ . . ]

The mere creation of a corporation, does not confer political power or political character. So this Court decided in *Dartmouth College v. Woodward*, already referred to. If I may be allowed to paraphrase the language of the Chief Justice, I would say, a bank incorporated, is no more a State instrument, than a natural person performing the same business would be. If, then, a natural person, engaged in the trade of banking, should contract with the government to receive the public money upon deposit, to transmit it from place to place, without charging for commission or difference of exchange, and to perform, when called upon, the duties of commissioner of loans, would not thereby become a public officer, how is it that this artificial being, created by law for the purpose of being employed by the government for the same purposes, should become a part of the civil government of the country? Is it because its existence, its capacities, its powers, are given by law? because the government has given it power to take and hold property in a particular form, and to employ that property for particular purposes, and in the disposition of it to use a particular name? because the government has sold it a privilege [22 U.S. 738, 774] for a large sum of money, and has bargained with it to do certain things; is it, therefore, a part of the very government with which the contract is made?

If the Bank be constituted a public office, by the connexion between it and the government, it cannot be the mere legal franchise in which the office is vested; the individual stockholders must be the officers. Their character is not merged in the charter. This is the strong point of the *Mayor and Commonalty v. Wood*, upon which this Court ground their decision in the *Bank v. Deveaux*, and from which they say, that cause could not be distinguished. Thus, aliens may become public officers, and public duties are confided to those who owe no allegiance to the government, and who are even beyond its territorial limits.

With the privileges and perquisites of office, all individuals holding offices, ought to be subject to the disabilities of office. But if the Bank be a public office, and the individual stockholders public officers, this principle does not have a fair and just operation. The disabilities of office do not attach to the stockholders; for we find them every where holding



If the Bank be a public institution of such character as to be justly assimilated to the mint and the post office, then its charter may be amended, altered, or even abolished, at the discretion of the National Legislature. All public offices are created [22 U.S. 738, 775] purely for public purposes, and may, at any time, be modified in such manner as the public interest may require. Public corporations partake of the same character. So it is distinctly adjudged in *Dartmouth College v. Woodward*. In this point, each Judge who delivered an opinion concurred. By one of the Judges it is said, that 'public corporations are generally esteemed such as exist for public political purposes only, such as towns, cities, parishes and counties; and in many respects they are so, although they involve some private interests; but, strictly speaking, public corporations are such only as are founded by the government for public purposes, where the whole interest belongs also to the government. If, therefore, the foundation be private, though under the charter of the government, the corporation is private, however extensive the uses may be to which it is devoted, either by the bounty of the founder, or the nature and objects of the institution. For instance, a bank, created by the government for its own uses, whose stock is exclusively owned by the government, is, in the strictest sense, a public corporation. So, a hospital created and endowed by the government for general charity. But a bank, whose stock is owned by private persons, is a private corporation, although it is erected by the government, and its objects and operations partake of a public nature. The same doctrine may be affirmed of insurance, canal, bridge, and turnpike companies. In all these cases, the uses may, in a certain sense, be called public, but the corporations are private; as much [22 U.S. 738, 776] so, indeed, as if the franchises were vested in a single person. [ . . ]

In what sense is it an instrument of the government? and in what character is it employed as such? Do the government employ the faculty, the legal franchise, or do they employ the individuals upon whom it is conferred? and what is the nature of that employment? does it resemble the post office, or the mint, or the custom house, or the process of the federal Courts?

The post office is established by the general government. It is a public institution. The persons who perform its duties are public officers. No individual has, or can acquire, any property in it. For all the services performed, a compensation is paid out of the national treasury; and all the money received upon account of its operations, is public property. Surely there is no similitude between this institution, and an association who trade upon their own capital, for their own profit, and who have paid the government a million and a half of dollars for a legal character and name, in which to conduct their trade. \*

Again: the business conducted through the agency of the post office, is not in its nature a private business. It is of a public character, and the [22 U.S. 738, 786] charge of it is expressly conferred upon Congress by the constitution. The business is created by law, and is annihilated when the law is repealed. But the trade of banking is strictly a private concern. It exists and can be carried on without the aid of the national Legislature. Nay, it is only under very special circumstances, that the national Legislature can so far interfere with it, as to facilitate its operations.

The post office executes the various duties assigned to it, by means of subordinate agents. The mails are opened and closed by persons invested with the character of public officers. But they are transported by individuals employed for that purpose, in their individual character, which employment is created by and founded in contract. To such contractors no official character is attached. These contractors supply horses, carriages, and whatever else is necessary for the transportation of the mails, upon their own account. The whole is engaged in the public service. The contractor, his horses, his carriage, his driver, are all in public employ. But this does not change their character. All that was private property before the contract was made, and before they were engaged in public employ, remain private property still. The horses and the carriages are liable to be taxed as other property, for every purpose for which property of the same character is taxed in the place where they are employed. The reason is plain: the contractor is employing his own means to promote his own private profit, and the tax collected is from the individual, though assessed upon the [22 U.S. 738, 787] means he uses to perform the public service. To tax the transportation of the

are private property, is allowable; because it abstracts nothing from the government; and because, the fact that an individual employs his private means in the service of the government, attaches to them no immunity whatever."

[Osborn v. Bank of U.S., 22 U.S. 738 (1824)]

Subtitle A of the I.R.C. therefore almost exclusively governs the relationship between U.S. government and those pursuing federal employment, contracts, agency, or benefits, and which regulates the private/contractual business partnership and relationship called a "trade or business". Consent to abide by the contract and therefore to be called a "taxpayer" is conveyed by signing and submitting under penalty of perjury the IRS form W-4, IRS form 1099, IRS Form 1040, and the Currency Transaction Reports (CTRs), all of which if left un rebutted produce evidence of consent to the contract. Since Karl Granse did not argue against his alleged status as a "taxpayer", which is a person engaged in a privileged type of federal employment called a "trade or business" as defined in 26 U.S.C. §7701(a)(26), and since he clearly did not rebut the erroneous evidence wrongfully and incorrectly linking him to that relationship, then both the FBI and IRS as well as the Court in this case, and the Declarants agree that he should obey the contract terms found in Subtitle A of the I.R.C. This in no way is the case, however, with the Declarants, who have rebutted all erroneous reports that might connect them to "trade or business" activity, have rescinded participation in Social Security (see Exhibit entitled "Resignation of Compelled Social Security Trustee"), has vociferously argued against any identification of them as being "taxpayers", and vociferously refused any federal entitlement or benefit.

Whether FBI agent Andy Romagnuolo is aware of the limitations on his authority or not is immaterial. The fact that Declarants have not and will not allow their good names and status to be converted into taxpayers and U.S. persons, thereby denying agent Andy with the presumed authority to enter into the states of the Union and violently raid private homes and steal possessions under color of law is the only pertinent point.

*Whatever the form in which the Government functions, anyone entering into an arrangement with the Government takes the risk of having accurately ascertained that he who purports to act for the Government stays within the bounds of his authority. The scope of this authority may be explicitly defined by Congress or be limited by delegated legislation, properly exercised through the rule-making power. And this is so even though, as here, the agent himself may have been unaware of the limitations upon his authority.* FEDERAL CROP INS. CORPORATION v. MERRILL et al., 332 U.S. 38

Declarants are meeting their Supreme Court imposed duty to ascertaining whether Agent Andy has stayed within his authority and that he is made aware of his limitations. The same will be explained for the Magistrate Judges who signed the search warrants in a later section.

8. Because Karl Granse was engaged in a "trade or business", then under 26 U.S.C. §7701(a)(26), he was engaged in a "public office". A public office is a type of federal employment or agency which is: (1) Created by contract or agreement or other type of individual consent; (2) Requires consent of parties to the agreement in some form; (3) Is implemented through private law, which applies to special persons and things known as public employees or contractors. Because a "public office" is a type of federal employment, then those who are party to the private law contract found in I.R.C. Subtitle A and Title 18 become federal contractors or "employees" who are explicitly exempted by the Federal Register Act, 44 U.S.C. §1505(a)(1), from the requirement for implementing regulations and the requirement of publishing those regulations.

TITLE 5 > PART I > CHAPTER 5 > SUBCHAPTER II > § 553

§ 553. Rule making

*(a) This section applies, according to the provisions thereof, except to the extent that there is involved—*

*(1) a military or foreign affairs function of the United States; or*

*(2) a matter relating to agency management or personnel or to public property, loans, grants, benefits, or contracts.*

Note the above exclusion of the requirement for publishment of implementing regulations: "a matter relating to agency management". A "public office" or the "trade or business" activity that creates federal agency on the part of the person engaged in the activity are examples of situations that would certainly not require implementing regulations and which would certainly be subject to regulation by direct Congressional statutory enactment. Congress has always had direct control over its employees in the Executive Branch and it would be ludicrous for any Court or litigant to attempt to interfere with that direct supervisory role by requiring effectively that the Executive Branch, which is its subordinate

command may be enforced by the judicial branch. However, that same relationship does not apply to the Sovereigns in the states of the Union, who all three branches of government were created to serve and protect. As repeatedly pointed out, the requirement for implementing regulations applies to every subject of Congressional legislation EXCEPT those exceptions explicitly spelled out in the Federal Register Act, 44 U.S.C. §1505(a)(1), and the Administrative Procedures Act, 5 U.S.C. §553(a). The reason for this is clear: Congress, which is the servant of the Sovereign People, was established exclusively to protect the Constitutional and natural rights of its Master, We The People. It demonstrates this commitment to "protection" of Constitutional Rights by a writing and publishing implementing regulations in the Federal Register, which satisfies the Constitutional requirement for "due notice" to the persons affected by any law or regulation. Only persons domiciled in states of the Union who are not a party to any federal contract, employment, or agency, can have such Constitutional rights in relation to the national government. Federal employees, agents, contractors, and the military DO NOT have such rights and therefore need not be part of the "notice and comment" process that is inherent in the rulemaking process so as to protect rights. The Supreme Court confirmed that public employees have no constitutional rights in relation to their employer, the federal government, when it said the following:

"The restrictions that the Constitution places upon the government in its capacity as lawmaker, i.e., as the regulator of private conduct, are not the same as the restrictions that it places upon the government in its capacity as employer. We have recognized this in many contexts, with respect to many different constitutional guarantees. Private citizens perhaps cannot be prevented from wearing long hair, but policemen can. Kelley v. Johnson, 425 U.S. 238, 247 (1976). Private citizens cannot have their property searched without probable cause, but in many circumstances government employees can. O'Connor v. Ortega, 480 U.S. 709, 723 (1987) (plurality opinion); id., at 732 (SCALIA, J., concurring in judgment). Private citizens cannot be punished for refusing to provide the government information that may incriminate them, but government employees can be dismissed when the incriminating information that they refuse to provide relates to the performance of their job. Gardner v. Broderick, [497 U.S. 62, 95] 392 U.S. 273, 277-278 (1968). With regard to freedom of speech in particular: Private citizens cannot be punished for speech of merely private concern, but government employees can be fired for that reason. Connick v. Myers, 461 U.S. 138, 147 (1983). Private citizens cannot be punished for partisan political activity, but federal and state employees can be dismissed and otherwise punished for that reason. Public Workers v. Mitchell, 330 U.S. 75, 101 (1947); Civil Service Comm'n v. Letter Carriers, 413 U.S. 548, 556 (1973); Broadrick v. Oklahoma, 413 U.S. 601, 616-617 (1973)." [Rutan v. Republican Party of Illinois, 497 U.S. 62 (1990)]

There is no question in the mind of the Declarants that the Court ruled correctly in the case of *Granse*, by discounting the requirement for implementing regulations for Mr. Granse, who by his own omission and admission, was engaged in a privileged "public office" ("trade or business") which created a type of federal "agency" and fiduciary relationship under 26 U.S.C. §6903 that made him liable to obey Subtitle A of the I.R.C. This is simply not the case with the Declarants, once again, who are not engaged in a "trade or business" or any other type of federal employment or agency in the context of the disputed matters at any time during the period in question and who have overwhelming evidence to support such a conclusion. You will also note that the definition of "person" under the criminal provisions of the I.R.C. also confirms that the only "persons" liable for criminal provisions of the I.R.C. have a fiduciary relationship with the federal government created by the receipt of federal benefits, employment, contracts, or the exercise of other forms of "private law" based on personal consent. To wit:

TITLE 26 > Subtitle F > CHAPTER 75 > Subchapter D > § 7343

§ 7343. Definition of term "person"

The term "person" as used in this chapter includes an officer or employee of a corporation, or a member or employee of a partnership, who as such officer, employee, or member is under a duty to perform the act in respect of which the violation occurs.

The "duty" which they are referring to above in the emphasized passage is the fiduciary duty created under 26 U.S.C. §6903 by declaring oneself a "public officer" engaged in a privileged "trade or business". Private law and private contract is the only way to create such a fiduciary relationship, and the FBI and IRS have at no time ever produced any substantive evidence documenting the existence of such a relationship in the case of the Declarants. Positive law CANNOT create such a fiduciary relationship because it would impinge on the Constitutional Rights of the sovereigns in the states of the Union, which Congress may not lawfully do. That is why 1 U.S.C. §204 identifies the Internal Revenue Code as not being "positive law": It is instead "private law" and "special law" that only applies to specific persons and things who individually consent to be bound by it. This was admitted by the IRS itself in the following document:



See and rebut also the following, or remain silent if you agree:

Requirement for Consent, Form #05.003

<http://sedm.org/Forms/MemLaw.Consent.pdf>

Once a party consents or even acts as though he consents, he or she is considered to be "effectively connected with a trade or business in the United States". In effect, the act of consent "marries" a person through private law to the state and makes them a "public officer". That marriage proposal begins by selecting a "domicile" within the state and the marriage is consummated by the act of engaging in the privileged or excise taxable "trade or business". Real marriage works the same way: Parties who "act" as though they are married and cohabit for some fixed period of time are treated under the common law in many states as though they are legally married. Therefore, the *Granse* case and all cases in which the litigant was a "taxpayer", a "U.S. person", or was engaged in a privileged activity such as a "trade or business" are simply irrelevant and inapplicable to the circumstances of the Declarants and this case.

9. Similar arguments made by Declarants in this section may also universally be applied to every other type of similar tax case the IRS might wish to cite. This includes, for instance, *Gass v. United States Department of Treasury*, 216 F.3d 1087, 217 F.3d 1087 (10<sup>th</sup> Cir. 06/09/2000) and every other case the Declarant could find on the subject of the requirement for implementing regulations. Therefore, Declarant was unable to locate any stare decisis useful to the FBI, IRS or a court that would be applicable to AND entirely compatible with the circumstances of the Declarants:

- A. Who are "nontaxpayers" not subject to any provision of the I.R.C.
- B. Who are "nonresident aliens" as defined in 26 U.S.C. §7701(b)(1)(B) that is not engaged in a "trade or business". This type of entity is defined in 26 CFR §1.871-1(b)(i).
- C. All of whose earnings and property are a "foreign estate" as defined in 26 U.S.C. §7701(a)(31).
- D. Who are nonresident to any United States Judicial District or Internal Revenue District.
- E. Who did not initiate this action and have never consented to the foreign jurisdiction of a USDC Court or made a "general appearance" in any relevant case.
- F. Who are "nationals" pursuant to 8 U.S.C. §1101(a)(21), but not a statutory "U.S. citizen" pursuant to 8 U.S.C. §1401.
- G. Who have no employment or agency or contract or "public office" relationship with the federal government, nor is either a recipient of or eligible to lawfully receive any federal benefit.
- H. Who have refuted or rebutted all false reports of the receipt of "trade or business" income, such as W-2, 1099, and Currency Transaction Reports because he is not engaged in a "trade or business" as required by 26 U.S.C. §6041.

If the FBI, IRS, DOJ or any Court would be so kind as to provide caselaw that satisfies all the above criteria applicable in the instant case and consistent with ALL circumstances of the Declarants as described herein, then Declarants would happily change their position.

### **3.2 No Territorial or Subject Matter Jurisdiction**

1. The FBI, IRS, and DOJ in the instant case have no territorial or extraterritorial jurisdiction to sustain this action for reasons set forth herein. The principles of comity and federalism require that when the Federal Government wishes to reach extraterritorially into a "foreign state", such as a state of the Union, it must produce evidence of consent from the specific parties it is enforcing against.

*"Judge Story, in his treatise on the Conflicts of Laws, lays down, as the basis upon which all reasonings on the law of comity must necessarily rest, the following maxims: First 'that every nation possesses an exclusive sovereignty and jurisdiction within its own territory'; secondly, 'that no state or nation can by its laws directly affect or bind property out of its own territory, or bind persons not resident therein, whether they are natural born subjects or others.' The learned judge then adds: 'From these two maxims or propositions there follows a third, and that is that whatever force and obligation the laws of one country have in another depend solely upon the laws and municipal regulation of the latter; that is to say, upon its own proper jurisdiction and polity, and upon its own express or tacit consent.' Story on Conflict of Laws §23."*

*[Baltimore & Ohio Railroad Co. v. Chambers, 73 Ohio St. 16; 76 N.E. 91; 11 L.R.A., N.S., 1012 (1905)]*

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DECLARANTS and FRANCHISES LAWFULLY and CONSENSUALLY associated with federal territory wherever they may be situated, pursuant to Article 4, Section 3, Clause 2 of the United States Constitution. By "lawfully and consensually associated", Petitioner means that the "public offices" and "trade or business" franchises and activities are specifically authorized by Congress to occur in the place where they are taxed as required by 4 U.S.C. §72. In fact, no cases that are on-point or which refute the hypothesis of this affidavit could be located by Declarants. Therefore, such cases as the following and all those similar would NOT be responsive and would be INAPPOSITE to this affidavit:

A. Lonsdale v. US, 919 F2d 1440 (10th Cir 1990)

B. US v. Mundt, 29 F3d 233 (6th Cir 1994)

C. In re Becraft, 885 F2d 547 (9th Cir 1989)

D. US v. Sloan, 939 F2d 499 (7th Cir 1991)

E. US v. R.W. Collins, 920 F2d 619 (10th Cir 1990), cert.den 500 US 920

None of the above cases, in fact, are compatible or relevant to a person with the domicile, citizenship, and tax status of the Declarants, which is described in the Affidavit of Material Facts, Section 2 earlier, as well as Exhibit 2 attached. If the FBI, IRS or DOJ argues otherwise, they are required to prove in each case that they ARE relevant.

3. Instead, Declarants claim that the Internal Revenue Code cannot operate in a state of the Union, and especially not against those not specifically engaged in a the "trade or business" franchise defined in 26 U.S.C. §7701(a)(26) as "the functions of a public office". Further, Title 18 provision not specifically published as required with implementing regulations cannot have force and effect in law against those situated in the several states.
4. The U.S. Supreme Court has stated repeatedly that the United States federal government is without ANY legislative jurisdiction within the exterior boundaries of a sovereign state of Union:

*"The difficulties arising out of our dual form of government and the opportunities for differing opinions concerning the relative rights of state and national governments are many; but for a very long time this court has steadfastly adhered to the doctrine that the taxing power of Congress does not extend to the states or their political subdivisions. The same basic reasoning which leads to that conclusion, we think, requires like limitation upon the power which springs from the bankruptcy clause. United States v. Butler, supra."*

*[Ashton v. Cameron County Water Improvement District No. 1, 298 U.S. 513; 56 S.Ct. 892 (1936)]*

*"It is no longer open to question that the general government, unlike the states, Hammer v. Dagenhart, 247 U.S. 251, 275, 38 S.Ct. 529, 3 A.L.R. 649, Ann.Cas.1918E 724, possesses no inherent power in respect of the internal affairs of the states; and emphatically not with regard to legislation."*

*[Carter v. Carter Coal Co., 298 U.S. 238, 56 S.Ct. 855 (1936)]*

The FBI, IRS and DOJ are hereby demanded to produce evidence that Title 18 and the Internal Revenue Code do NOT qualify as "legislation" within the meaning of the above rulings.

5. 40 U.S.C. §3112 creates a presumption that the United States government does not have jurisdiction unless it specifically accepts jurisdiction over lands within the exterior limits of a state of the Union:

*TITLE 40 - PUBLIC BUILDINGS, PROPERTY, AND WORKS*

*SUBTITLE II - PUBLIC BUILDINGS AND WORKS*

*PART A - GENERAL*

*CHAPTER 31 - GENERAL*

*SUBCHAPTER II - ACQUIRING LAND*

*Sec. 3112. Federal jurisdiction*

*(a) Exclusive Jurisdiction Not Required. - It is not required that the Federal Government obtain exclusive jurisdiction in the United States over land or an interest in land it acquires.*



or independent establishment of the Government, or other authorized officer of the department, agency, or independent establishment, considers it desirable, that individual may accept or secure, from the State in which land or an interest in land that is under the immediate jurisdiction, custody, or control of the individual is situated, consent to, or cession of, any jurisdiction over the land or interest not previously obtained. The individual shall indicate acceptance of jurisdiction on behalf of the Government by filing a notice of acceptance with the Governor of the State or in another manner prescribed by the laws of the State where the land is situated.

(c) Presumption. - It is conclusively presumed that jurisdiction has not been accepted until the Government accepts jurisdiction over land as provided in this section.

[SOURCE: [http://www4.law.cornell.edu/uscode/html/uscode40/use\\_sec\\_40\\_00003112----000-.html](http://www4.law.cornell.edu/uscode/html/uscode40/use_sec_40_00003112----000-.html)]

6. The Uniform Commercial Code defines the term "United States" as the District of Columbia:

*Uniform Commercial Code (U.C.C.)*

§ 9-307. LOCATION OF DEBTOR.

(h) [Location of United States.]

*The United States is located in the District of Columbia.*

[SOURCE:

<http://www.law.cornell.edu/ucc/search/display.html?terms=district%20of%20columbia&url=/ucc/9/article9.htm#s9-307>]

7. Article 1, Section 8, Clause 17 of the Constitution expressly limits the territorial jurisdiction of the federal government to the ten square mile area known as the District of Columbia. Extensions to this jurisdiction arose at the signing of the Treaty of Peace between the King of Spain and the United States in Paris France, which granted to the United States new territories such as Guam, Cuba, the Philippines, etc.

8. 4 U.S.C. §72 limits the exercise of all "public offices" and the application of their laws to the District of Columbia and NOT elsewhere except as "expressly provided" by Congress. This is consistent with the limitations on the investigatory power of the FBI found at 28 USC §535.

TITLE 4 > CHAPTER 3 > § 72

§ 72. Public offices: at seat of Government

*All offices attached to the seat of government shall be exercised in the District of Columbia, and not elsewhere, except as otherwise expressly provided by law.*

9. The Internal Revenue Code Subtitle A places the income tax primarily upon a "trade or business". The U.S. Supreme Court expressly stated that Congress may not establish a "trade or business" in a state of the Union and tax it.

*"Congress cannot authorize a trade or business within a State in order to tax it."*

*[License Tax Cases, 72 U.S. 462, 18 L.Ed. 497, 5 Wall. 462, 2 A.F.T.R. 2224 (1866)]*

10. A "trade or business" is defined as the "functions of a public office" in 26 U.S.C. §7701(a)(26). See:

The Trade or Business Scam, Form #05.001

<http://sedm.org/Forms/FormIndex.htm>

11. The FBI, IRS and the DOJ have been repeatedly asked for the statute which "expressly extends" the "public office" that is the subject of the tax upon "trade or business" activities within states of the Union and the authority of the FBI to enter a union state and exercise authority there. NO ONE has been able to produce such a statute because IT DOESN'T EXIST. There is no provision of law which "expressly extends" the enforcement of Subtitle A of the Internal Revenue Code to any state of the Union nor of the authority of the FBI or DOJ in any state of the Union. Therefore, FBI, IRS and DOJ jurisdiction does not exist there.

*"Expressio unius est exclusio alterius. A maxim of statutory interpretation meaning that the expression of one thing is the exclusion of another. Burgin v. Forbes, 293 Ky. 456, 169 S.W.2d 321, 325; Newblock v. Bowles, 170 Okl. 487, 40 P.2d 1097, 1100. Mention of one thing implies exclusion of another. When certain persons or things are specified in a law,*

the effects of a certain provision, other exceptions or effects are excluded."

[Black's Law Dictionary, Sixth Edition, page 581]

12. 48 U.S.C. §1612 expressly extends the enforcement of the criminal provisions of the Internal Revenue Code to the Virgin Islands and is the only enactment of Congress that extends enforcement of any part of the Internal Revenue Code to any place outside the District of Columbia.

13. The U.S. Supreme Court commonly refers to states of the Union as "foreign states". To wit:

*We have held, upon full consideration, that although under existing statutes a circuit court of the United States has jurisdiction upon habeas corpus to discharge from the custody of state officers or tribunals one restrained of his liberty in violation of the Constitution of the United States, it is not required in every case to exercise its power to that end immediately upon application being made for the writ. 'We cannot suppose,' this court has said, 'that Congress intended to compel those courts, by such means, to draw to themselves, in the first instance, the control of all criminal prosecutions commenced in state courts exercising authority within the same territorial limits, where the accused claims that he is held in custody in violation of the Constitution of the United States. The injunction to hear the case summarily, and thereupon 'to dispose of the party as law and justice require' [R. S. 761], does not deprive the court of discretion as to the time and mode in which it will exert the powers conferred upon it. That discretion should be exercised in the light of the relations existing, under our system of government, between the judicial tribunals of the Union and of the states, and in recognition of the fact that the public good requires that those relations be not disturbed by unnecessary conflict between courts equally bound to guard and protect rights secured by the Constitution. When the petitioner is in custody by state authority for an act done or omitted to be done in pursuance of a law of the United States, or of an order, process, or decree of a court or judge thereof; or where, being a subject or citizen of a foreign state, and domiciled therein, he is in custody, under like authority, for an act done or omitted under any alleged right, title, authority, privilege, protection, or exemption claimed under the commission, or order, or sanction of any foreign state, or under color thereof, the validity and effect whereof depend upon the law of nations; in such and like cases of urgency, involving the authority and operations of the general government, or the obligations of this country to, or its relations with, foreign nations, [180 U.S. 499, 502], the courts of the United States have frequently interposed by writs of habeas corpus and discharged prisoners who were held in custody under state authority. So, also, when they are in the custody of a state officer, it may be necessary, by use of the writ, to bring them into a court of the United States to testify as witnesses.' Ex parte Royall, 117 U.S. 241, 250, 29 S. L. ed. 868, 871, 6 Sup. Ct. Rep. 734; Ex parte Fonda, 117 U.S. 516, 518, 29 S. L. ed. 994, 6 Sup. Ct. Rep. 848; Re Duncan, 139 U.S. 449, 454, sub nom. Duncan v. McCall, 35 L. ed. 219, 222, 11 Sup. Ct. Rep. 573; Re Wood, 140 U.S. 278, 289, sub nom. Wood v. Bursh, 35 L. ed. 505, 509, 11 Sup. Ct. Rep. 738; McElvaine v. Brush, 142 U.S. 155, 160, 35 S. L. ed. 971, 973, 12 Sup. Ct. Rep. 156; Cook v. Hart, 146 U.S. 183, 194, 36 S. L. ed. 934, 939, 13 Sup. Ct. Rep. 40; Re Frederick, 149 U.S. 70, 75, 37 S. L. ed. 653, 656, 13 Sup. Ct. Rep. 793; New York v. Eno, 155 U.S. 89, 96, 39 S. L. ed. 80, 83, 15 Sup. Ct. Rep. 30; Pepke v. Cronan, 155 U.S. 100, 39 L. ed. 84, 15 Sup. Ct. Rep. 34; Re Chapman, 156 U.S. 211, 216, 39 S. L. ed. 401, 402, 15 Sup. Ct. Rep. 331; Whitten v. Tomlinson, 160 U.S. 231, 242, 40 S. L. ed. 406, 412, 16 Sup. Ct. Rep. 297; Isigi v. Van De Carr, 166 U.S. 391, 395, 41 S. L. ed. 1045, 1049, 17 Sup. Ct. Rep. 595; Baker v. Grice, 169 U.S. 284, 290, 42 S. L. ed. 748, 750, 18 Sup. Ct. Rep. 323; Tinsley v. Anderson, 171 U.S. 101, 105, 43 S. L. ed. 91, 96, 18 Sup. Ct. Rep. 805; Fitts v. McGhee, 172 U.S. 516, 533, 43 S. L. ed. 535, 543, 19 Sup. Ct. Rep. 269; Markuson v. Boucher, 175 U.S. 184, 44 L. ed. 124, 20 Sup. Ct. Rep. 76.*

[State of Minnesota v. Brundage, 180 U.S. 499 (1901)]

14. The Internal Revenue Code itself defines and limits the term "United States" to include only the District of Columbia and nowhere expands the term to include any state of the Union. Consequently, states of the Union are not included.

TITLE 26 > Subtitle F > CHAPTER 79 > Sec. 7701.

Sec. 7701. - Definitions

The term "United States" when used in a geographical sense includes only the States and the District of Columbia.

(a)(10) State

The term "State" shall be construed to include the District of Columbia, where such construction is necessary to carry out provisions of this title.

The rules of statutory construction forbid concluding that the term "United States" includes anything other than what is identified in the statutes themselves. Therefore, the FBI, IRS and DOJ have failed to give "reasonable notice" to the Declarants that said statutes apply to them and the statutes are "void for vagueness" and unenforceable against them:

*"Expressio unius est exclusio alterius. A maxim of statutory interpretation meaning that the expression of one thing is the exclusion of another. Burgin v. Forbes, 293 Ky. 456, 169 S.W.2d 321, 325; Newblock v. Bowles, 170 Okl. 487, 40 P.2d 1097, 1100. Mention of one thing implies exclusion of another. When certain persons or things are specified in a law, contract, or will, an intention to exclude all others from its operation may be inferred. Under this maxim, if statute specifies one exception to a general rule or assumes to specify the effects of a certain provision, other exceptions or effects are excluded."*

*[Black's Law Dictionary, Sixth Edition, page 581]*

*"When a statute includes an explicit definition, we must follow that definition, even if it varies from that term's ordinary meaning. Meese v. Keene, 481 U.S. 465, 484-485 (1987) ('It is axiomatic that the statutory definition of the term excludes unstated meanings of that term'); Colautti v. Franklin, 439 U.S. at 392-393, n. 10 ('As a rule, a definition which declares what a term "means" . . . excludes any meaning that is not stated'); Western Union Telegraph Co. v. Lenroot, 323 U.S. 490, 502 (1945); Fox v. Standard Oil Co. of N.J., 294 U.S. 87, 95-96 (1935) (Cardozo, J.); see also 2A N. Singer, Sutherland on Statutes and Statutory Construction § 47.07, p. 152, and n. 10 (5th ed. 1992) (collecting cases). That is to say, the statute, read "as a whole," post at 998 [530 U.S. 943] (THOMAS, J., dissenting), leads the reader to a definition. That definition does not include the Attorney General's restriction -- "the child up to the head." Its words, "substantial portion," indicate the contrary."*

*[Stenberg v. Carhart, 530 U.S. 914 (2000)]*

15. 26 U.S.C. §7601 limits and defines enforcement of the Internal Revenue Code and discovery related to the enforcement only within the bounds of internal revenue districts. Pursuant to Treasury Order 150-02, the ONLY remaining internal revenue district is the District of Columbia and the IRS has not produced evidence that any internal revenue district exists anywhere within the North Carolina or Washington Republic. Any evidence gathered by the FBI or the IRS outside the District of Columbia is UNLAWFULLY obtained and in violation of this statute as well as the constitutional doctrine of separation of powers and individual sovereignty, and therefore constitutes "fruit of a poisonous tree" that is inadmissible as evidence. See *Weeks v. United States*, 232 U.S. 383 (1914), which says that evidence unlawfully obtained is INADMISSIBLE.

16. 26 U.S.C. §7621 authorizes the President of the United States to define the boundaries of all internal revenue districts.

A. The President delegated that authority to the Secretary of the Treasury pursuant to Executive Order 10289.

B. Neither the President nor his delegate, the Secretary of the Treasury, may lawfully establish internal revenue districts outside of the "United States", which is then defined in 26 U.S.C. §7701(a)(9) and (a)(10), 26 U.S.C. §7701(a)(39), and 26 U.S.C. §7408(d) to mean ONLY the District of Columbia. This restriction is a result of the fact that the Constitution in Article 4, Section 3, Clause 2 only authorizes Congress to write rules and regulations for the territory and other property of the United States, and states of the Union are not "territory" of the United States:

*"Territories' or 'territory' as including 'state' or 'states.' While the term 'territories of the United States' may, under certain circumstances, include the states of the Union, as used in the federal Constitution and in ordinary acts of congress "territory" does not include a foreign state.*

*[86 C.J.S. [Corpus, Juris, Secundum, Legal Encyclopedia], Territories, §1]*



deterrence to the Constitution and its limited authority to make laws for the states of the Union.

- C. Congress cannot delegate to the President or the Secretary an authority within states of the Union that it does not have itself. Congress has NO LEGISLATIVE JURISDICTION within a state of the Union.

*"It is no longer open to question that the general government, unlike the states, Hammer v. Dagenhart, 247 U.S. 251, 275, 38 S.Ct. 529, 3 A.L.R. 649, Ann.Cas.1918E 724, possesses no inherent power in respect of the internal affairs of the states; and emphatically not with regard to legislation."*

[Carter v. Carter Coal Co., 298 U.S. 238, 56 S.Ct. 855 (1936)]

Just as Congress cannot legislate for the states, the judicial branch cannot interfere with the sanctity of the states, their property or that of the Citizens of states of the Union. No Federal judge can issue a search warrant for property within the geographic boundaries of one of the several states not ceded to the Federal government. Declarants demand evidence that this conclusion is incorrect. And keep in mind that judges cannot rule on the extent of their jurisdiction, only Congress and the constitution can define their jurisdiction.

17. Treasury Order 150-02 abolished all internal revenue districts except that of the District of Columbia.

18. IRS is a delegate of the Secretary in insular possessions, as "delegate" is defined at 26 U.S.C. § 7701(a)(12)(B), but NOT in states of the Union.

19. Based on all the above authorities:

- A. The word "INTERNAL" in the phrase "INTERNAL Revenue Service" means INTERNAL to the federal government or federal territory or possessions, which we collectively call the federal zone. This includes "persons" defined in 26 U.S.C. §7701(a)(1) who are temporarily OUTSIDE the federal zone but who have a domicile WITHIN it, such as statutory "citizens" as defined in 8 U.S.C. §1401 and "residents" as defined in 26 U.S.C. §7701(b)(1)(A) who are abroad and coming under a tax treaty with a foreign country, pursuant to 26 U.S.C. §911. It DOES NOT include persons domiciled in states of the Union. See:

Why Domicile and Income Taxes are Voluntary, Form #05.002

<http://sedm.org/Forms/FormIndex.htm>

It is emphasized that there is NO statute authorizing taxation of "citizens and residents" who are NOT "abroad" and who are physically present either in a state of the Union or within any federal territory or possession. Therefore, these areas are not subject to taxation pursuant to I.R.C. Subtitle A.

Similarly the Federal in Federal Bureau of Investigation means with respect to and authority over Federal personnel and officers, not un-enfranchised state Citizens domiciled within one of the several states and not holding a privileged status as U.S. person.

- B. The U.S. Supreme Court has confirmed that there is no basis to believe that any part of the federal government enjoys any legislative jurisdiction within any state of the Union, including in its capacity as a lawmaker for the general government. This was confirmed by one attorney who devoted his life to the study of Constitutional law below:

*"§79. [ . . . ] There cannot be two separate and independent sovereignties within the same limits or jurisdiction; nor can there be two distinct and separate sources of sovereign authority within the same jurisdiction. The right of commanding in the last resort can be possessed only by one body of people inhabiting the same territory, and can be executed only by those intrusted with the execution of such authority."*

[Treatise on Government, Joel Tiffany, p. 49, Section 78;

SOURCE: <http://famguardian.org/Publications/TreatiseOnGovernment/TreatOnGovt.pdf>]

Our public dis-servants have tried to systematically destroy this separation of powers using a combination of LIES, PROPAGANDA in unreliable government publications, and the abuse of "words of art" in the void for vagueness "codes" they write in order to hunt and trap and enslave Sovereign Americans domiciled in the states like animals.

*But this is a people robbed and plundered;*

*All of them are snared in [legal] holes, [by the sophistry of rebellious public "servant" lawyers]*

*And they are hidden in prison houses;*

2 For plunder, and no one says, "Restore!"

3 Who among you will give ear to this?

4 Who will listen and hear for the time to come?

5 Who gave Jacob [Americans] for plunder, and Israel [America] to the robbers?

6 Was it not the LORD,

7 He against whom we have sinned?

8 For they would not walk in His ways,

9 Nor were they obedient to His law.

10 Therefore He has poured on him the fury of His anger

11 And the strength of battle;

12 It has set him on fire all around,

13 Yet he did not know;

14 And it burned him,

15 Yet he did not take it to heart.

16 [Isaiah 42:22-25, Bible, NKJV]

17 Our covetous public "servants" in the federal government have become PREDATORS, not PROTECTOR.S Wake up  
18 people! If you want to know what your public servants are doing to systematically disobey and destroy the main  
19 purpose of the Constitution and destroy your rights in the process, read the following expose:

Government Conspiracy to Destroy the Separation of Powers Doctrine, Form #05.023

<http://sedm.org/Forms/FormIndex.htm>

- 20 C. The PROPAGANDA you read on the IRS website that contradicts the content of this section honestly (for ONCE!)  
21 identifies itself as the equivalent of BUTT WIPE that isn't worth the paper it is printed on and which you can't and  
22 shouldn't believe. This BUTT WIPE, incidentally, includes ALL the IRS publications and forms:

23 "IRS Publications, issued by the National Office, explain the law in plain language for  
24 taxpayers and their advisors... While a good source of general information, publications  
25 should not be cited to sustain a position."

26 [IRM 4.10.7.2.8 (05-14-1999)]

- 27 D. If you want to know what constitutes a "reasonable source of belief" about federal jurisdiction in the context of  
28 taxation, please see the following. Note that it concludes that you CAN'T trust anything a tax professional or  
29 government employee or even court below the Supreme Court says on the subject of taxes, and this conclusion is  
30 based on the findings of the courts themselves!

Reasonable Belief About Income Tax Liability, Form #05.007

<http://sedm.org/Forms/FormIndex.htm>

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32 20. As has been detailed previously, Agent Romagnoulo has taken the legal position that the use of a Bill of Exchange or other  
33 discharge instrument is unlawful. Specifically he alleges that it constitutes mail fraud and fictitious claims on the U.S.  
34 treasury. These arguments are frivolous and clearly in contradistinction to case law. In the case of U.S. v Williams, a  
35 federal judge accepted a Bill of Exchange to discharge over \$7000.00 in criminal penalties and terminate supervised  
36 release provisions under a parole order.

37  
38 In Bank One V Ward, a Florida state judge found that a Bill of Exchange tendered by Sarah Fugate extinguished the  
39 mortgage obligation. In each case the Bill of Exchange was to be presented to the Secretary of the Treasury, an employee  
40 of the Fund and the Bank who is also the Trustee over the bankruptcy of the United States. Therefore, no claims  
41 whatsoever were lodged against the U.S. treasury. And since no false claims were mailed, mail fraud, even if that Title 18  
42 section applied to Declarants, has not occurred.

3 judge. With the evidence reiterated here in this document, the majority of which is also to be found on Declarants seized  
4 computers, it can only be surmised that Agent Romagnoulo is engaging in a protection racket to protect the unlawful,  
5 unconstitutional, Federal Reserve System from those Citizens who have taken the time and effort to understand how our  
6 monetary system has been corrupted.

7  
8 If anything, the government is complicit in creating the environment Agent Andy now seeks to prosecute Declarants for  
9 availing themselves of. Therefore, the evidence presented here may be deemed conclusive of Agent Andy's criminal intent  
10 to harass, injure, terrorize and

#### 11 12 **4. Conclusion**

13 If you disagree with anything in this letter, then rebut that with which you disagree, in writing, with particularity, to  
14 me, within 30 days of this letter's date, and support your disagreement with evidence, fact and law. Your failure to respond, as  
15 stipulated, is your agreement with and admission to the fact that everything in this letter is true, correct, legal, lawful, and is  
16 your irrevocable agreement attesting to this, fully binding upon you, in any court in America, without your protest or objection  
17 or that of those who represent you.

18  
19 If you choose not to respond and thereby simply agree to the facts, legal conclusions and claims made herein, then within the  
20 30 day response period return all property seized, purge all records and cease and desist from all previously stated egregious  
21 activities.

#### 22 23 **5. Enclosures**

24 Attached hereto and made a part of this document are the Disks entitle SEDM Sovereignty DVD and Constructive  
25 Notice Exhibits. The evidence on these disks is made a part of this document as if they were fully reproduced within  
26 this document.



3 Under the penalty of perjury from without the United States under the laws of the United States of America pursuant to 28  
4 U.S.C. §1746(1), Declarants declare that we have examined the facts stated in this affidavit, including the accompanying  
5 documents and exhibits, and, to the best of our knowledge and belief, they are true and correct.

6 Signed and sealed this 13<sup>th</sup> day of July, 2007 A.D.

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19 Edward-William: Wahler

20 Notice: Use of Notary is for identification purposes only and shall not be construed against Declarant as adhesion, indicia, or  
21 submission to any foreign, domestic, or municipal jurisdiction or public venue.

22 STATE OF NORTH CAROLINA )

23 ) JURAT

24 COUNTY OF BUNCOMBE )

25 Before me the undersigned a Notary Public acting in and for the County of Buncombe and State of North Carolina on this 13<sup>th</sup>  
26 day of July, 2007, personally appeared and known to me to be the identical man, Edward-William: Wahler, who executed by  
27 act and deed the foregoing affidavit and then acknowledged to me his free will and voluntary act.

28 Given under my hand and seal this 13<sup>th</sup> day of July, 2007.

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Rebekah Miller, Notary

Seal

My commission expires Feb 3, 2008

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Signed and sealed this 13<sup>th</sup> day of July, 2007 A.D.

Michael-James: Hannigan

Notice: Use of Notary is for identification purposes only and shall not be construed against Declarant as adhesion, indicia, or  
submission to any foreign, domestic, or municipal jurisdiction or public venue.

STATE OF NORTH CAROLINA )

) JURAT

Before me the undersigned a Notary Public acting in and for the County of Buncombe and State of North Carolina on this 13th day of July, 2007, personally appeared and known to me to be the identical man, Michael-James: Hannigan who executed by act and deed the foregoing affidavit and then acknowledged to me his free will and voluntary act.

Given under my hand and seal this 13<sup>th</sup> day of July, 2007.

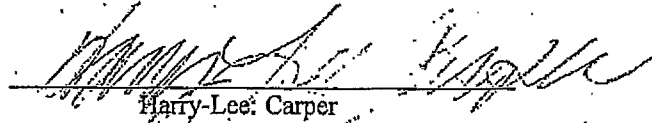


Rebekah Miller, Notary

Seal

My commission expires Feb 3, 2008

Signed and sealed this 13th day of July, 2007 A.D.

  
Harry-Lee: Carper

*Notice: Use of Notary is for identification purposes only and shall not be construed against Declarant as adhesion, indicia, or submission to any foreign, domestic, or municipal jurisdiction or public venue.*

STATE OF NORTH CAROLINA

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JURAT

COUNTY OF BUNCOMBE

Before me the undersigned a Notary Public acting in and for the County of Haywood

and State of North Carolina on this 13<sup>th</sup> day of July, 2007, personally appeared and known to me to be the identical man, Harry-Lee: Carper who executed by act and deed the foregoing affidavit and then acknowledged to me his free will and voluntary act.

Given under my hand and seal this 13<sup>th</sup> day of July, 2007.



Rebekah Miller, Notary

Seal

My commission expires Feb 3, 2008

Lewis-Vincent: Hughes

Lewis-Vincent: Hughes

**Notice:** *Use of Notary is for identification purposes only and shall not be construed against Declarant as adhesion, indicia, or submission to any foreign, domestic, or municipal jurisdiction or public venue.*

STATE OF WASHINGTON

COUNTY OF SNOHOMISH

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JURAT

Before me the undersigned a Notary Public acting in and for the County of Snohomish

and State of Washington on this 12 day of July, 2007, personally appeared and known to me to be the identical man, Lewis-Vincent: Hughes who executed by act and deed the foregoing affidavit and then acknowledged to me his free will and voluntary act.

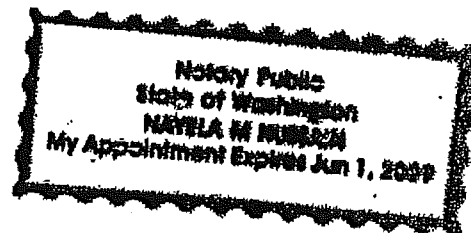
Given under my hand and seal, this 12 day of July, 2007.

Nayela M. Hussain

Notary

Seal

My commission expires June 1, 2009





IT IS HEREBY CERTIFIED that service of the foregoing, the associated Constructive Notice, and the associated Affidavit of Material Facts has been made upon the following addressees by me, a North Carolina Notary, by depositing a copy in the United States mail, via certified mail, return receipt requested, postage prepaid, this 14<sup>th</sup> day of July, 2007 addressed to:

OFFICE OF ATTORNEY GENERAL  
U.S. DEPARTMENT OF JUSTICE  
950 PENNSYLVANIA AVE. NW  
WASHINGTON, DC 20530-0001  
CERTIFIED MAIL #

OFFICE OF THE DIRECTOR  
FEDERAL BUREAU OF INVESTIGATION  
U.S. DEPARTMENT OF JUSTICE  
J. EDGAR HOOVER BUILDING  
935 PENNSYLVANIA AVE. NW  
WASHINGTON, DC 20535-0001  
CERTIFIED MAIL #

FEDERAL BUREAU OF INVESTIGATION  
U.S. DEPARTMENT OF JUSTICE  
ATTN: ANDREW F. ROMAGNUOLO, SPECIAL AGENT  
100 OTIS STREET, SUITE 211  
ASHEVILLE, NC 28801  
CERTIFIED MAIL #

OFFICE OF THE U.S. ATTORNEY  
ATTN: JILL ROSE, ASST. U.S.A., OR SUCCESSOR  
U.S. COURTHOUSE, RM. 233  
100 OTIS STREET  
ASHEVILLE, NORTH CAROLINA 28801  
CERTIFIED MAIL #

UNITED STATES DISTRICT COURT  
ATTN: JUDGE LACY THORNBURG  
U.S. COURTHOUSE, RM.309  
100 OTIS STREET  
ASHEVILLE, NORTH CAROLINA 28801  
CERTIFIED MAIL #

UNITED STATES DISTRICT COURT  
ATTN: MAGISTRATE JUDGE, E S SWEARINGEN  
U.S. COURTHOUSE, RM.309  
100 OTIS STREET  
ASHEVILLE, NORTH CAROLINA 28801  
CERTIFIED MAIL #

UNITED STATES DISTRICT COURT  
ATTN: MAGISTRATE JUDGE DENNIS L HOWELL  
U.S. COURTHOUSE, RM.309  
100 OTIS STREET  
ASHEVILLE, NORTH CAROLINA 28801  
CERTIFIED MAIL #

ANTONY TORRES  
FEDERAL BUREAU OF INVESTIGATION  
1110 3RD AVENUE  
SEATTLE, WA 98101  
CERTIFIED MAIL #

MIKE PFEFFER  
FEDERAL BUREAU OF INVESTIGATION  
1110 3RD AVENUE  
SEATTLE, WA 98101  
CERTIFIED MAIL #

UNITED STATES DISTRICT COURT  
MAGISTRATE JUDGE MARY ALICE THIELER  
US COURTHOUSE  
700 STEWART STREET, LOBBY LEVEL  
SEATTLE, WA 98101

UNITED STATES DISTRICT COURT  
JUDGE JOHN C. COUGHENOUR  
US COURTHOUSE  
700 STEWART STREET, LOBBY LEVEL  
SEATTLE, WA 98101

I furthermore certify that:

1. I am at least 18 years of age
2. I am not related to either party to this legal proceeding by blood, marriage, adoption, or employment
3. I serve as a "disinterested third party" to this action
4. That I am in no way connected to, or involved in or with, the person and/or matter at issue in this instant action.

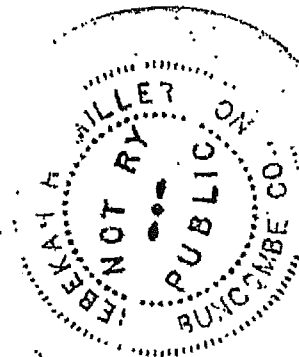
All responses should be sent to:

4  
5  
6 I now place my hand and seal as a public notary in the County of Buncombe and the state of North Carolina this 14<sup>th</sup> day of  
8 July, 2007 A.D.

9  
10 *Rebekah H. Miller*

11 Rebekah H. Miller

12  
13 My commission Expires: Feb 3, 2008



WESTERN

DISTRICT OF

NORTH CAROLINA

## In the Matter of the Search of

(Name, address or brief description of person, property or premises to be searched)

13 Locust Street, Canton, North Carolina

A rock house, with rock chimney, and rock archway over the  
over the front door with white windows and door. The number  
13 is on the bottom half of the front door.

APPLICATION AND AFFIDAVIT  
FOR SEARCH WARRANTFILED  
ASHEVILLE, N.C.

Case Number: 1:07 MJ 46 MAY 21 2007

U.S. DISTRICT COURT  
W. DIST. OF N.C.I, Andrew F. Romagnuolo being duly sworn depose and say:I am a Special Agent, Federal Bureau of Investigation and have reason to believe  
Official Titlethat ☐ on the person of or ☒ on the property or premises known as (name, description and/or location)

13 Locust Street, Canton, North Carolina. Travel from I-40 West to Exit 37. Turn left and travel .1 miles. At traffic light turn right  
onto HWY 19/23 South and travel 5 miles. Turn left on Academy Street and travel .3 miles. Turn right onto Pennsylvania Avenue at  
Locust Field Cemetery. Travel 200 feet remaining straight onto Locust Street. The residence is the third house on the left and is a  
rock house with a rock chimney, and a rock arch over the front door, a chain link fence in the side yard, the doors and windows are  
white and the number 13 is located on the bottom half of the front door

in the WESTERN District of NORTH CAROLINA

there is now concealed a certain person or property, namely (describe the person or property to be seized)

see attached Affidavit and attachments, incorporated herein by reference

which is (state one or more bases for search and seizure set forth under Rule 41(b) of the Federal Rules of Criminal Procedure)

constituting the fruits and instrumentalities of criminal acts to wit, evidence

concerning a violation of Title 18 United States code, Section(s) 514, 1341, and 371

The facts to support a finding of probable cause are as follows:

see attached Affidavit and attachments, incorporated herein by reference

Continued on the attached sheet and made a part hereof:

X Yes ☐ NoAndrew F. Romagnuolo  
Signature of Affiant

Sworn to before me and subscribed in my presence,

May 21, 2007

Date

at Asheville, North Carolina

City and State

Dennis L. Howell

Name and Title of Judge

Dennis L. Howell  
Signature of Judge

1  
2 WESTERN DISTRICT OF NORTH CAROLINA

3 ASHEVILLE, NORTH CAROLINA  
4

5 AFFIDAVIT

6 This affiant, Andrew F. Romagnuolo, Special Agent,  
7 Federal Bureau of Investigation, being duly sworn, states the  
8 following:  
9

10 I am a Special Agent of the Federal Bureau of  
11 Investigation(FBI), Charlotte Division, Asheville, North  
12 Carolina Resident Agency. This affiant has been employed as  
13 a Special Agent of the FBI for approximately nine years.  
14

15 I am presently investigating violations of Federal  
16 Laws, specifically violations of Title 18 United States Code,  
17 Section 514, Fictitious obligations, Title 18 United States  
18 Code, Section 1341, Mail Fraud, and Title 18 United States  
19 Code, Section 371, Conspiracy.  
20

21 As a result of personal participation in the  
22 investigative matters referred to in this affidavit, and  
23 based upon reports made to me by other law enforcement  
24 officers and private citizens, I am familiar with the facts  
25 and circumstances of this investigation. On the basis of  
26 that familiarity, I state the following:  
27  
28



1                   On August 24, 2004 searches pursuant to authorized  
2 Federal Search Warrants were executed on five subject's  
3 residences to collect evidence regarding the Creation of  
4 Fictitious Obligations, Mail Fraud and Conspiracy. In the  
5 search of Michael James Hannigan's residence located at 84  
6 Edgewater Lane, Canton, North Carolina 28716 numerous  
7 documents, including original copies of Fictitious  
8 Obligations and mail receipts documenting the mailing of the  
9 paperwork were collected. The documents identified Joseph R.  
10 Laird, Jr., Harry Lee Carper, and Peggy Lee Carper as  
11 individuals that conspired with Michael Hannigan and Rose  
12 Marie Schilling to create and distribute Fictitious  
13 Obligations in violation of Title 18 U.S.C. Section 514.

14  
15                   Two red, expandable folders were collected from the  
16 office area during the search of Hannigan's residence.  
17 Hannigan's "Notarial Log Journal" was located in one of the  
18 red expandable folders. Writing inside the front cover of  
19 the journal identifies it as Hannigan's:

20  
21                   "Notarial Log Journal of Michael James Hannigan"  
22 and "Notary Public C/O 217 Paragon Parkway #152, Clyde , NC  
23 28721".

24  
25                   The Postal Mail Box (PMB) address 217 Paragon  
26 Parkway #152, Clyde , NC 28721 is identified as Hannigan's  
27 PMB based upon his use of the address in filings and  
28 documents which have been collected through the search of his

1 residence and from court filings conducted by Hannigan in  
2 Haywood County, North Carolina.

3  
4 In an orange tabbed section of the journal under  
5 the title "CARPER: HARRY LEE" and "CARPER PEGGY LEE" a  
6 number of documents are listed by date. They include:

7  
8 10/29/03 AT&T doc. Offer/Accept

9 10/29/03 FLEET doc. Offer/Accept

10 10/31/03 AT&T doc. Presentment

11 10/31/03 FLEET doc. Presentment

12 11/17/03 AT&T doc. Notice Non Response

13 11/18/03 AT&T doc. Bill of Exchange w Cover Letter

14 11/17/03 FLEET doc. Notice of Non Response

15 11/18/03 FLEET doc. Bill of Exchange w Cover Letter

16 11/24/03 Commercial Notice/Affidavit FLEET

17 Commercial Notice/Affidavit AT&T

18  
19 Several documents titled "Bankers Acceptance of  
20 Presentment & Tender via National Bank Note, pursuant to  
21 United States Statutes and Public Policy, HJR 192" were  
22 located in the same red expandable folder in a folder labeled  
23 LAIRD. The Documents have original United States Postal  
24 Service (PS) Form 3811 certified mailing return cards and  
25 receipts for postage attached. The documents are from Joseph  
26 Robert Laird, C/O 54 Blink Bonny Drive, Waynesville, North  
27 Carolina 28786 to Carolina First Bank, 535 Greenville  
28 Highway, Hendersonville, North Carolina 28792. Three of the

1 Banker's Acceptance document Proof of Mailings are notarized  
2 by Rose Marie Schilling. Each has a fictitious obligation  
3 attached called a Banker's Acceptance Note signed by Joseph  
4 Robert Laird and notarized by Rose-Marie Schilling. The  
5 Banker's Acceptance Notes are in the amounts of \$286,886.19,  
6 \$3,400.00, and \$9,000.00.  
7

8 Michael James Hanhigan and Rose Marie Schilling of  
9 84 Edgewater Lane, Canton, North Carolina, 28716 and 217  
10 Paragon Parkway, PMB 152, Clyde, North Carolina 28721, Harry  
11 Lee Carper and Peggy Lee Carper of 13 Locust Street, Canton,  
12 North Carolina 28716, and Joseph Robert Laird, Jr. of 54  
13 Blink Bonny Drive, Waynesville, North Carolina 28786 and  
14 others, engaged in a conspiracy involving Mail Fraud and the  
15 creation of fictitious obligations in the following forms:  
16 "Bill of Exchange", "Banker's Acceptance Notes", "Bond to  
17 Discharge Debt", non-negotiable checks, "Affidavit of Tender  
18 of Payment" and other documents and mailings in support of  
19 their attempt to pay various financial institutions and the  
20 Buncombe County, North Carolina Clerk of Superior Court with  
21 said fictitious obligations. The fictitious obligations and  
22 supporting documentation were generally mailed via Registered  
23 and Certified Mail with those numbers recorded in the text of  
24 the mailing. The fictitious obligations follow a criminal  
25 pattern identified through illegal tax protester schemes  
26 which occurred through the 1980s and 1990s known as  
27 Redemption schemes.  
28

1 On 05/07/2007, the Federal Bureau of Investigation  
2 contacted Joseph R. Laird, born 07/07/1939 at his residence,  
3 54 Blink Bonny Drive, Waynesville, North Carolina 28786.  
4 Laird stated that he had created financial obligations at his  
5 residence and obtained the format from the internet. Laird  
6 notarized documents for Hannigan. Laird also provided that  
7 he filed "Notices of Commercial Error" in an attempt to  
8 correct his previous filings.

9  
10 On 05/07/2007, the Federal Bureau of Investigation  
11 contacted Harry Lee Carper at his residence, 13 Locust  
12 Street, Canton, North Carolina 28716. Carper was informed  
13 that the reason for the interview was to discuss his  
14 submission of "Bills of Exchange". Carper stated that he had  
15 filed "Bills of Exchange" in the past and had also filed  
16 "Notice of Commercial Error" regarding the "Bills of  
17 Exchange". Carper refused to be interviewed at the time, but  
18 stated that he would need to go through his records to locate  
19 copies of the requested documents.

20  
21 The "Bill of Exchange" and other documents that  
22 Hannigan, Schilling, The Carpers, and Laird used in an  
23 attempt to pay creditors follows a pattern observed through  
24 the 1980s and 1990s described by the Department of  
25 Justice (DOJ) as "Illegal Tax Protester or Redemption  
26 Schemes". An article entitled "Recycled "Redemption": The  
27 Latest Illegal Tax Protester Scheme" authored by Jennifer E.  
28 Ihlo, Senior Trial Attorney, Tax Division, DOJ, and Melissa



1 E. Schraibman Senior Trial Attorney, Tax Division, DOJ,  
2 describes the type of scheme. A portion of the article  
3 reads:  
4

5 "The most popular scheme of the 1990s used  
6 fictitious financial instruments to 'pay' tax liabilities and  
7 obtain erroneous IRS refunds, as well as to 'pay' private  
8 creditors. These instruments -- often entitled 'Certified  
9 Money Order,' 'Certified Bank Check,' 'Public Office Money  
10 Certificate' or 'Comptroller Warrant' -- were designed to  
11 deceive the IRS and financial institutions into treating them  
12 as authentic checks or real money orders."  
13

14 The article continues by describing a fictitious  
15 obligation called a "Sight Draft" and states:

16  
17 "The 'sight drafts' look like checks, are of very  
18 high print quality, and usually contain some reference to HJR  
19 192, the House Joint Resolution that took the United States  
20 off the gold standard in 1933. These 'sight drafts' purport  
21 to be drawn on the United States Treasury Department. Since  
22 the prosecution of individuals who have attempted to pass  
23 these fictitious 'sight drafts' began, the scheme has  
24 continued to evolve: 'sight drafts' are now sometimes called  
25 'bills of exchange', or 'trade acceptances.' All reference  
26 HJR 192."  
27

28 Hannigan, Schilling, the Carpers, and Laird

1 Additionally, searching computer systems for criminal  
2 evidence is a highly technical process requiring expert skill  
3 and a properly controlled environment. The vast array of  
4 computer hardware and software available requires even  
5 computer experts to specialize in some systems and  
6 applications, so it is difficult to know before a search  
7 which expert should analyze the system and its data. The  
8 search of a computer system is an exacting scientific  
9 procedure which is designed to protect the integrity of the  
10 evidence and to recover even "hidden", erased, compressed,  
11 password-protected, or encrypted files. Since computer  
12 evidence is extremely vulnerable to tampering and destruction  
13 both from external sources and from destructive codes  
14 imbedded in the system as a "booby trap", the controlled  
15 environment of a laboratory is essential to its complete and  
16 accurate analysis.

17  
18 This affiant believes that Harry Lee Carper, Peggy  
19 Lee Carper and Joseph Robert Laird Jr. have maintained  
20 detailed records of the fictitious obligations, supporting  
21 documents, postal receipts, and other records including  
22 Certified and Registered mail numbers. Documentary evidence  
23 related to financial crimes is maintained in the workplace  
24 and at home. It is therefore believed that evidence will be  
25 located at their residence in the form of books, written  
26 records or printed matter of any kind including receipts,  
27 bank statements and records, financial statements, loan  
28 applications and records, wills, real estate records, money